

NACHAMIE SPIZZ COHEN & SERCHUK, P.C.
Proposed Counsel to **JEM Carting Group Corp.** and
JEM Sanitation Corp.
Debtors and Debtors-in-Possession
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT NEW YORK

-----X
In re: Chapter 11

JEM CARTING GROUP CORP., Case No. 13-____ (____)

Debtor.

-----X
In re: Chapter 11

JEM SANITATION CORP., Case No. 13-____ (____)

Debtor.

-----X
**AFFIDAVIT OF KENNETH SANTO PURSUANT TO LOCAL
BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK)
ss.:
COUNTY OF NEW YORK)

Kenneth J. Santo, being duly sworn, deposes and says the following:

1. I am the President of JEM Carting Group Corp. ("JEM Carting") and JEM Sanitation Corp. ("JEM Sanitation"), the above-captioned debtors and debtors-in-possession (the "Debtors").

2. This affidavit is submitted pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York to assist the Court and parties in interest in

understanding the circumstances surrounding the commencement of these chapter 11 cases and in support of the Debtors' petitions for relief under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

3. Except as otherwise indicated, all facts set forth in this affidavit are based upon my personal knowledge, and upon my discussions with other members of the Debtors' management, and with the Debtors' financial and legal advisors.

THE DEBTORS' BUSINESS

4. JEM Carting is a corporation organized and existing pursuant to the laws of the State of New York. JEM Carting, which is a non-operating entity, is the parent of two (2) wholly owned subsidiaries. Those subsidiaries are JEM Sanitation, one of the Debtors herein, and Crown Waste Paper Corp. ("Crown Waste") (a non-debtor in these chapter 11 proceedings).

5. JEM Carting is owned equally by the following six (6) shareholders: Kenneth Santo, Gregg Santo, Paul Virzi, David Virzi, Mark Tamily and Dana Tamily.

6. JEM Carting, JEM Sanitation and Crown Waste file consolidated tax returns with the Federal and State governments.

7. JEM Sanitation, the principal operating entity and a licensed waste hauler in the State of New York, is in the commercial solid waste collection and disposal business. All of its business is conducted within the city of New York, primarily in the borough of Manhattan. JEM Sanitation collects and disposes of non-hazardous solid waste and recyclable materials from its commercial customers. JEM Sanitation also offers a wide variety of recycling services to its customers for materials such as cardboard, paper, plastic, glass and metals. In addition, JEM Sanitation picks up and

disposes of environmentally sensitive materials such as light bulbs, batteries, telephones, computers, monitors and other electronic equipment. JEM Sanitation maintains a fleet of trucks to perform the aforementioned services, and also maintains various types of waste containers at its customers' facilities.

8. Over the last several years, the solid waste removal industry has gone through a consolidation making the small independent companies such as JEM Sanitation non-competitive with the larger consolidated companies such as Waste Management Inc. and Action Carting Environmental Services, Inc.

9. Although JEM Sanitation's business is derived primarily from its commercial customers located in New York City, the company's plant is located in Lyndhurst, New Jersey. Recent hikes in tolls, commuting expenses and fuel costs have significantly eroded JEM Sanitation's profit margins. Despite management's best efforts to cut costs, JEM Sanitation is unable to operate profitably and is currently losing approximately \$70,000 per month.

10. The Debtors' management has determined that the best way to maximize the value of JEM Sanitation, for the benefit of its creditors, is to sell JEM Sanitation as a going concern. Towards that end, JEM Sanitation and the shareholders of JEM Carting have been negotiating an asset purchase agreement with a third party. JEM Sanitation anticipates on filing shortly after the filing of the Debtors' petitions a motion with the Bankruptcy Court seeking a sales procedure order which would allow for an auction sale of certain assets of JEM Sanitation, with the prospective purchaser as the "stalking horse" bidder.

INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007-2

11. Pursuant to Local Rule 1007-2, I represent the following:

- (i) The Debtors' cases were not originally commenced under Chapter 7 or Chapter 13 of the Bankruptcy Code.
- (ii) There is no committee that has been appointed or organized prior to the order for relief in these cases.
- (iii) Attached hereto as **Schedule 1** is a list of the twenty (20) largest unsecured claims against the Debtors, on a consolidated basis, excluding insiders.¹
- (iv) Attached hereto as **Schedule 2** is a list of the five (5) largest secured claims against JEM Sanitation. (JEM Carting has no secured claims against it.)
- (v) Attached hereto as **Schedule 3a** is a summary of JEM Carting's assets and liabilities. Attached hereto as **Schedule 3b** is a summary of JEM Sanitation's assets and liabilities.
- (vi) JEM Carting owns 100% of the common stock of JEM Sanitation. Kenneth Santo, Gregg Santo, Paul Virzi, David Virzi, Mark Tamily and Dana Tamily each own one sixth (1/6) of the issued and outstanding stock of JEM Carting.
- (vii) To the best of my knowledge, none of the Debtors' property is in the possession or control of any custodian, public officer, mortgagee, pledgee, assignee of rents or secured creditor.
- (viii) JEM Carting owns no real property and leases no real property. JEM Sanitation owns no real property. JEM Sanitation leases the following premises: 800 Schuyler Avenue, Lyndhurst, New Jersey 07071 on a month to month basis.
- (ix) The Debtors' principal office and the Debtors' books and records are located at 800 Schuyler Avenue, Lyndhurst, New Jersey 07071. No assets of the Debtors are held outside the territorial limits of the United States.

¹ JEM Carting, as a control group of JEM Sanitation, has at least three contingent unsecured pre-petition claims against it relating to disputed withdrawal liability under two (2) multi-employer pension plans.

- (x) Attached hereto as **Schedule 4** is a list of the actions or proceedings pending where a seizure of Debtors' property may be imminent.
- (xi) JEM Sanitation's current existing senior management, their tenure with JEM Sanitation and a brief summary of their relevant responsibilities and experiences are as follows:

<u>Name</u>	<u>Title</u>	<u>Tenure</u>	<u>Responsibilities</u>
Kenneth J. Santo	President, and VP Sales	32 yrs	Account Management
Gregg Santo	VP Operations	32 yrs	All Service and Scheduling
Paul Virzi	VP MRF Operations	32 yrs	Maintains Fleet
David Virzi	VP Facilities	32 yrs	IT, Billing, Accounting

- (xiii) JEM Carting has no operations or employees. No monies will be paid from JEM Carting to any of its officers during these Chapter 11 cases.
- (xiv) JEM Sanitation's estimated weekly payroll to its employees exclusive of officers, directors and stockholders for the thirty (30) day period following the filing of JEM Sanitation's Chapter 11 petition is \$40,000.
- (xv) The amount to be paid to JEM Sanitation's officers, stockholders and directors for the thirty (30) day period following the filing of JEM Sanitation's Chapter 11 petition is \$40,000.
- (xvi) Attached hereto as **Schedule 5** is a schedule for the thirty (30) day period following the filing of JEM Sanitation's Chapter 11 petition, of JEM Sanitation's estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue but remain unpaid other than professional fees.

12. First Day Orders:

- (i) Joint Administration – The Debtors intend to file a motion and a proposed order authorizing the joint administration of the Chapter 11 cases of JEM Carting and JEM Sanitation.
- (ii) Order Authorizing Pre-Petition Wages and Order Authorizing Banks to Clear Pre-petition checks – JEM Sanitation intends to submit a motion and proposed order authorizing the payment of wages to JEM Sanitation's non-management employees up the amounts set forth in § 507(a)(4) of the Bankruptcy Code, and authorizing banks and other financial institutions in which JEM Sanitation maintains bank accounts to process, honor and pay any and all checks and transfers drawn on JEM Sanitation's dedicated payroll and benefits accounts whether such checks were presented on or after the filing of JEM Sanitation's Chapter 7 case.
- (iii) Cash Collateral – In view of the fact that JEM Sanitation has secured creditors, it requires an order authorizing the use of cash collateral in order to operate its business in the ordinary course. The Debtors do not believe they will require any post-petition financing.
- (iv) Retention of Professionals – The Debtors will be submitting applications and proposed orders for the retention of Nachamie Spizz Cohen & Serchuk, P.C. as counsel for the Debtors; Rosen Seymour Shapss Martin & Company, LLP as the accountants for the Debtors and the Horowitz Law Group, LLC as special labor counsel for the Debtors.

13. The Debtors respectfully reserve the right to amend or supplement any of the attached Schedules or information in the event that additional information is obtained by the Debtors.

14. The Debtors believe that under the protection of Chapter 11, JEM Sanitation will be able to successfully sell its assets and maximize value for the benefit of Debtors' creditors.

Dated: New York, New York
June 12, 2013

s/ Kenneth J. Santo
Kenneth J. Santo
President

SCHEDULE 1
TO LOCAL RULE 1007-2 AFFIDAVIT

List of the Twenty (20) Largest Unsecured Claims against the Debtors, on a
Consolidated Basis, Excluding Insiders

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court
Southern District of New York**

In re **JEM Sanitation Corp.**

Debtor(s)

Case No.

Chapter

11

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Action Carting Services Inc. 920 E. 143rd St Bronx, NY 10454	Action Carting Services Inc. 920 E. 143rd St Bronx, NY 10454	Trade		600,000.00
Advanced Enterprises Recycling, Inc. 442 Frelinghuysen Ave Newark, NJ 07114	Advanced Enterprises Recycling, Inc. 442 Frelinghuysen Ave Newark, NJ 07114	Trade		67,892.86
AFCO P.O. Box 360572 Pittsburgh, PA 15260-6572	AFCO P.O. Box 360572 Pittsburgh, PA 15260-6572			35,395.20
Richard Barrera c/o Sean M. Dillion, LLC 70 Hilltop Road Ramsey, NJ 07446	Richard Barrera c/o Sean M. Dillion, LLC 70 Hilltop Road Ramsey, NJ 07446			46,409.50
Biagiotti Marino & Montecallo Trust Account 190 Moore Street, Ste. 204 Hackensack, NJ 07601	Biagiotti Marino & Montecallo Trust Account 190 Moore Street, Ste. 204 Hackensack, NJ 07601			57,068.98
Covanta Essex P.O. Box 18566 Newark, NJ 07191-8566	Covanta Essex P.O. Box 18566 Newark, NJ 07191-8566	Trade		698,313.28
ELS Transfer 100 Baler Blvd North Arlington, NJ 07031	ELS Transfer 100 Baler Blvd North Arlington, NJ 07031	Trade		301,602.29
ESI - Doremus Ave (2) 540 Doremus Avenue Newark, NJ 07105	ESI - Doremus Ave (2) 540 Doremus Avenue Newark, NJ 07105	Trade		67,982.86
Gialmo & Vreeburg, P.C. Gialmo Associates, LLP 80-02 Kew Gardens Road Kew Gardens, NY 11415	Gialmo & Vreeburg, P.C. Gialmo Associates, LLP 80-02 Kew Gardens Road Kew Gardens, NY 11415			28,545.00
Internal Revenue Service 1 Kalisa Way Attn: Nelson Figeroa Paramus, NJ 07652	Internal Revenue Service 1 Kalisa Way Paramus, NJ 07652	940 /941 Taxes	Disputed	1,134,187.92

B4 (Official Form 4) (12/07) - Cont.
In re **JEM Sanitation Corp.**

Case No. _____

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Kotulak & Co., PC 1035 Route 46 East, Ste. B-107 Attn: Mr. Tom Kotulak Clifton, NJ 07013	Kotulak & Co., PC 1035 Route 46 East, Ste. B-107 Attn: Mr. Tom Kotulak Clifton, NJ 07013	Trade		92,465.00
Local 108 121 East 24th Street 8th Floor New York, NY 10018	Local 108 121 East 24th Street 8th Floor New York, NY 10018		Disputed	193,993.78
Local 116 1065 Old Country Road, Ste 202 Westbury, NY 11590	Local 116 1065 Old Country Road, Ste 202 Westbury, NY 11590		Disputed	66,101.00
Local 813 45-18 Court Square Suite 600 Long Island City, NY 11101-4347	Local 813 45-18 Court Square Suite 600 Long Island City, NY 11101-4347		Disputed	1,884,273.74
New Jersey Casualty Company P.O. Box 1228 West Trenton, NJ 08628-0277	New Jersey Casualty Company P.O. Box 1228 West Trenton, NJ 08628-0277			31,872.95
New Jersey Dept. of Revenue P.O. Box 632 Trenton, NJ 08646	New Jersey Dept. of Revenue P.O. Box 632 Trenton, NJ 08646		Disputed	173,922.59
NYS Dept. of Tax & Finance W.A. Harriman Campus, Bldg. 9 Attn: Office of Counsel Albany, NY 12227	NYS Dept. of Tax & Finance W.A. Harriman Campus, Bldg. 9 Attn: Office of Counsel Albany, NY 12227		Disputed	1,121,132.54
RLK Transportation 41738 Esterly Drive Columbiana, OH 44408	RLK Transportation 41738 Esterly Drive Columbiana, OH 44408			34,477.18
Super Quality Oil 221 Harrison Avenue Garfield, NJ 07026	Super Quality Oil 221 Harrison Avenue Garfield, NJ 07026			32,925.90
Teamsters L. 945 Benefit Funds c/o Cohen, Leder, Montalbano 1700 Galloping Hill Road Kenilworth, NJ 07033	Teamsters L. 945 Benefit Funds c/o Cohen, Leder, Montalbano 1700 Galloping Hill Road Kenilworth, NJ 07033	Contingent, disputed withdrawal liability claim as a control group	Contingent Disputed	Unknown
TRS Recovery Services Inc. 21 Griffin Road North Windsor, CT 06095	TRS Recovery Services Inc. 21 Griffin Road North Windsor, CT 06095			30,000.00

B4 (Official Form 4) (12/07) - Cont.
In re **JEM Sanitation Corp.**

Debtor(s)

Case No. _____

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date **June 11, 2013**

Signature **/s/ Kenneth J. Santo**
Kenneth J. Santo
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

SCHEDULE 2
TO LOCAL RULE 1007-2 AFFIDAVIT

List of the Five (5) Largest Secured Claims against JEM Sanitation

Creditor Name	Description of Collateral	Estimated Value of Collateral	Amount of Claim	Disputed
Cellmark Inc. 22 Pelican Way San Rafael, CA 94901	Blanket liens on all assets Equipment	\$4,000,000.00	\$119,058.00	No
Internal Revenue Service 1 Kalisa Way Paramus, NJ 07652	Federal tax lien on all assets 3/21/05	\$4,000,000.00	\$113,516.94	Yes
Internal Revenue Service 1 Kalisa Way Paramus, NJ 07652	Federal tax lien on all assets 11/21/05	\$4,000,000.00	\$101,178.32	Yes
Internal Revenue Service 1 Kalisa Way Paramus, NJ 07652	Federal tax lien on all assets 1/24/08	\$4,000,000.00	\$94,300.00	Yes
Commercial Credit Group Inc. 121 West Trade Street Suite 2100 Charlotte, NC 28202	Blanket liens on all assets Equipment	\$4,000,000.00	91,266.00	No

SCHEDULE 3a
TO LOCAL RULE 1007-2 AFFIDAVIT

Summary of JEM Carting's Assets and Liabilities

JEM Carting Group
Consolidated balance sheet
As of May 31, 2013

ASSETS

Current assets

Cash	\$ 100	
Accounts receivable	719,000	
Total current assets		719,100

Fixed assets - net of accumulated depreciation

114,000

TOTAL ASSETS

\$ 833,100

LIABILITIES AND SHAREHOLDERS EQUITY

Liabilities

Accounts payable	\$ 2,797,000	
Taxes payable	2,661,000	
Notes payable	84,000	
Total liabilities		\$ 5,542,000

Shareholders equity

Common stock	90,000	
Additional paid in capital	91,130	
Treasury stock	(140,000)	
Retained deficit	(4,750,030)	
Total shareholders' equity		(4,708,900)

\$ 833,100

SCHEDULE 3b
TO LOCAL RULE 1007-2 AFFIDAVIT

Summary of JEM Sanitation's Assets and Liabilities

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Accrual Basis

Jem Sanitation Corp.
Balance Sheet
As of May 31, 2013

	May 31, 13
ASSETS	
Current Assets	
Checking/Savings	
1000 • Cash & Checking	
1001 • Bank of New York	-2,238.30
1003 • Yellow Bank of New York	8,978.69
1004 • Spencer saving Bank	-27,300.40
1000 • Cash & Checking - Other	-2,500.00
Total 1000 • Cash & Checking	-23,060.01
1100 • Bank Transfers	-0.30
Total Checking/Savings	-23,060.31
Accounts Receivable	
1200 • Accounts Receivable	735,569.41
Total Accounts Receivable	735,569.41
Other Current Assets	
1299 • Reserves For Doubtful Act	-16,100.00
1300 • Loans and Exchanges	-0.35
1350 • Employee Advances	-849.09
1400 • Prepaid Expenses	
1401 • Prepaid Insurance	6,248.83
Total 1400 • Prepaid Expenses	6,248.83
Total Other Current Assets	-10,700.61
Total Current Assets	701,808.49
Fixed Assets	
1500 • Vehicles	2,516,328.14
1599 • Accumulated Depreciation-Trucks	-2,365,983.25
1600 • Equipment	800,242.32
1699 • Accumulated Depreciation-Equip.	-854,432.19
1700 • Leasehold Improvements	23,385.05
1799 • Accumulated Deprec-LHI	-5,254.34
1800 • Computer Software	25,885.60
1899 • Accumulated Deprec-Software	-25,404.11
Total Fixed Assets	114,757.22
Other Assets	
1900 • Goodwill	880.03
1905 • Refinancing Closing Costs	0.30
1910 • Amortization of Closing Costs	-0.48
1950 • Intercompany Loans Receivable	
1951 • Jem Sanitation of NJ	4,228,921.67
1952 • Rellant	-561,987.16
1953 • Jam Paper Recycling	-482,667.28
1954 • Meadowlands Carting	626,131.26
Total 1950 • Intercompany Loans Receivable	3,810,398.54
1970 • Due From Officers	
1971 • Due From Ken Santo	300.00
1972 • David Virzi	25.00
1973 • Greg Santo	2,244.48
1974 • Paul Virzi	2,500.00
Total 1970 • Due From Officers	5,069.48
1990 • Deferred Tax Asset	90.00
Total Other Assets	3,816,417.84
TOTAL ASSETS	4,632,983.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	

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Accrual Basis

Jem Sanitation Corp.
Balance Sheet
As of May 31, 2013

	May 31, 13
Accounts Payable	
2000 • Accounts Payable-Trade	2,585,005.75
Total Accounts Payable	2,585,005.75
Other Current Liabilities	
2100 • Accrued Expenses	
2104 • S-T Ins. Financing - Auto	38,076.52
2105 • S-T Ins. Financing - Work Comp	0.48
2106 • S-T Ins. Financing - Gen. Liab.	0.40
2107 • S-T Ins. Financing - Umbrella	0.39
2109 • S-T Ins. Financing - NY Ins. WC	0.47
2100 • Accrued Expenses - Other	212,039.16
Total 2100 • Accrued Expenses	173,964.38
2175 • due to factor	42,724.00
2200 • Payroll Taxes Payable	
2201 • Federal Withholding Tax	983,773.14
2202 • Fica Withhold	170,840.17
2203 • Medicare Withhold	42,736.99
2204 • NYS Withholding	40,311.33
2205 • NYC Withholding	8,086.56
2206 • NYS Disability Payable	250.16
2207 • NJ Withholding	85,874.01
2208 • NJ Unemployment Payable	42,959.74
2209 • FUTA Payable	1,872.77
2211 • NY Employer SUI Payable	3,881.65
2213 • PA WITHHOLDING	4,984.78
2200 • Payroll Taxes Payable - Other	216.94
Total 2200 • Payroll Taxes Payable	1,385,587.21
2210 • Garnishee Payable	433.46
2215 • Union Dues Payable	14,758.48
2300 • NYS Sales Tax Payable	
2301 • NYS Sales Tax Payable-Current	936,329.72
2302 • Sales Tax Payable-Audit	231,122.47
2315 • SALES TAX CREDIT CURRENT	-3,883.05
Total 2300 • NYS Sales Tax Payable	1,163,569.14
2500 • Corporate Taxes Payable	
2501 • Federal Income Tax Payable	111,736.94
Total 2500 • Corporate Taxes Payable	111,736.94
2808 • loan from Lucreta Santo	9,919.48
2809 • Leonard Higgins	31,387.14
Total Other Current Liabilities	2,934,090.22
Total Current Liabilities	5,519,095.97
Long Term Liabilities	
2400 • SEP Plan Payable	0.04
2800 • Installment Loans Payable	
2823 • 2009 MACK MRU-613 4090.00	46,298.99
2824 • 2009 Mack MRU-613 4346.00	-23,603.68
Total 2800 • Installment Loans Payable	22,695.33
2825 • Alpha Carting 4144.35	412,942.68
2700 • Due To Affiliates	
2705 • Crown Waste	145,675.79
Total 2700 • Due To Affiliates	145,675.79
2800 • Due to Officers	
2801 • Ken Santo	7,805.25
2802 • David Virzi	1,155.40
2803 • Greg Santo	1,243.35
2804 • Paul Virzi	-57,776.47
2805 • Mark Tamilly	105,030.99

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Accrual Basis

Jem Sanitation Corp.
Balance Sheet
As of May 31, 2013

	May 31, 13
2806 • Dana Tamilly	184,069.73
Total 2800 • Due to Officers	241,328.25
Total Long Term Liabilities	822,542.09
Total Liabilities	6,341,638.08
Equity	
3000 • Common Stock	60,000.00
3001 • Paid In Capital	91,130.00
3002 • Treasury Stock	-140,000.00
3003 • Retained Earnings	-1,804,749.61
Net Income	-115,034.90
Total Equity	-1,708,654.51
TOTAL LIABILITIES & EQUITY	4,632,983.55

SCHEDULE 4
TO LOCAL RULE 1007-2 AFFIDAVIT

List of Actions or Proceedings Pending

Caption of Suit and Case Number	Nature of Proceeding	Court or Agency and Location	Status or Disposition
Advanced Enterprises Recycling, Inc. v. JEM Sanitation Corp. Case No. BER-L-001542-13	Civil	Superior Court of New Jersey, Bergen County	Pending
Trustees of the Local 813 I.B.T. Insurance Trust fund, et al. v. JEM Sanitation Corp. Case No. 1785/13	Civil	Supreme Court of the State of New York, County of Queens	Pending
Lemcor Inc. v. JEM Sanitation of New Jersey, Inc., David Virzi and Ken Santo Case No. BER-L-000974-12	Civil	Superior Court of New Jersey, Law Division-Bergen County, Special Civil Part	Judgment

**SCHEDULE 5
TO LOCAL RULE 1007-2 AFFIDAVIT**

Thirty Day Period – Cash Receipts and Disbursements

EXHIBIT A

2 week and 4 week projection of income and expense for Jem Sanitation Corp.
for the 2 week and 4 week periods beginning June 17, 2013

	<u>2 weeks</u>	<u>4 weeks</u>
Revenue:	\$ 260,000	\$ 520,000
Cost of sales:		
Payroll	76,000	152,000
Payroll taxes	8,000	16,000
Union costs	2,700	5,400
Dumping charges	70,000	140,000
Truck expenses	30,000	60,000
Total cost of sales	<u>186,700</u>	<u>373,400</u>
Gross profit	73,300	146,600
General & administrative:		
Salaries - Administrative	32,500	65,000
Payroll taxes	3,250	6,500
Rent	2,500	5,000
Automobile expenses	1,500	3,000
Bank fees and credit card charges	1,500	3,000
Equipment leasing	2,500	5,000
Insurance	20,000	40,000
Licenses and permits	1,000	2,000
Telephone	1,500	3,000
Utilities	1,000	2,000
Office expenses	2,500	5,000
Repairs and maintenance	1,000	2,000
Total general and administrative expenses	<u>70,750</u>	<u>141,500</u>
Operating income	<u>\$ 2,550</u>	<u>\$ 5,100</u>

JEM Carting Group
Projected cash flow statement
For the month of July 2013

Receipts:

Collection of accountant receivable	\$ 560,000
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Disbursements:

Payroll	217,000	
Payroll taxes	21,700	
Union costs	5,400	
Sales taxes	46,150	
Rent	4,000	
Insurance premiums	40,000	
Dumping costs	140,000	
Truck expenses	60,000	
Office expenses	5,000	
Utilities	2,000	
Telephone	3,000	
Equipment leasing	5,000	
Other expenses	5,650	
	<u>554,900</u>	
Cash provided from operations		5,100
Cash beginning of period		<u>100</u>
Cash end of period		<u><u>\$ 5,200</u></u>